



July 1, 2009

The Honorable City Council
and the Citizens of the City of Wilmington:

I am pleased to present to you the FY 2009-10 Annual Budget for the City of Wilmington as adopted by City Council on June 16, 2009. This document represents the City's comprehensive budget plans and policies for the upcoming fiscal year.

The *FY 2009-10 Recommended Budget* was presented to City Council on May 6, 2009 and included the Budget Message, which follows this letter. The Recommended Budget was made available for public inspection on the City's website, in the City Manager's office, the City Clerk's office, the New Hanover County Library (main branch), the Budget Office at 320 Chestnut Street, and to individuals upon request. In accordance with the North Carolina Local Government Budget and Fiscal Control Act, a notice of public hearing was published in two local newspapers to encourage public input into the budget process. A public hearing was held on the Recommended Budget on May 19, 2009. City Council also held a budget work session on May 22, 2009.

During the budget deliberations, City Council made several changes to the Recommended Budget. Listed below is a summary of those changes which are incorporated in the appropriate sections of this document:

EXPENDITURE CHANGES:

General Fund

- An amount of \$10,000 was added to agency appropriations to fund the Cucalorus Film Foundation.
- Council operating funds were increased by \$12,000.
- Contingency funding was increased from \$44,550 to \$132,550.
- Funding in the amount of \$110,000 was eliminated in Sundry for Municipal Elections. Council action taken subsequent to the presentation of the *Recommended Budget* changed the method of elections from run-off to non-partisan plurality.
- Allocated costs in Sundry Nondepartmental were reduced by \$460,000. This amount represents the Community Development Block Grant and HOME Investment Partnership planning and administration contribution

for community development activities that are now reflected as revenue in the new CDBG/HOME Grant and Loan Administration Fund.

Solid Waste Management Fund

- Landfill disposal costs were increased by \$79,225 to cover the increase in the New Hanover County tip fee.

Convention Center Fund

- An amount of \$47,000 was added for the contract with the Cape Fear Convention and Visitors Bureau for marketing expenses for fiscal year 2009-10.
- Funding in the amount of \$137,000 was added for the convention center management contract with SMG for pre-opening expenses for FY 2009-10.

REVENUE CHANGES:

Solid Waste Management Fund

- A 1% increase in the Solid Waste collection rate, representing \$79,225, was added to cover the increase in the New Hanover County tip fee for FY 09-10.

Convention Center Fund

- An increase of \$216,225 was added in Room Occupancy Tax revenue to cover the marketing and pre-opening expenses.

Organizational restructuring detailed in the Budget Message to take place in the FY 2009-10 is reflected in terms of transitioned associated program funding and positions in the FY 2009-10 Adopted Budget.

The first reading of the FY 2009-10 Adopted Budget was held on June 2, 2009 and the second reading was held on June 16, 2009. There were no further changes to the *"Recommended Budget."*

Sincerely,

A handwritten signature in black ink, appearing to read "Sterling B. Cheatham", with a long horizontal flourish extending to the right.

Sterling B. Cheatham
City Manager



May 5, 2009

The Honorable City Council
and the Citizens of the City of Wilmington:

In accordance with the § 159-11 of the North Carolina General Statutes, I am pleased to present the *Recommended Budget* for the City of Wilmington for the fiscal year beginning July 1, 2009 and ending June 30, 2010 that is hereby submitted for your review and consideration. The *Recommended Budget* is a bare bones budget, and includes resources to continue core services; however, some important non-core services are reduced or eliminated. This recommended budget also addresses the anticipated continued rise in fuel and energy costs. I believe this budget is also being responsible to the citizens and City Council in containing the cost of local government and reshaping what we do without raising taxes.

The total net budget for FY 2009-10 is \$122,514,958 and represents a 4.4% reduction below the current adopted budget of \$128,094,808. The General Fund is the largest component of this total with expenditures of \$80,723,416 which is a reduction of 6.7% of the current adopted amount of \$86,502,788. The Recommended General Fund budget maintains, barely, the City Council fund balance policy of 15 to 20 percent of the budgeted expenditures. In this budget recommendation we are not able to continue the fiscal policy of an approximate 3 percent appropriation of fund balance. The Recommended Appropriated fund balance is \$1,250,000 of which \$800,000 was achieved via a reduction in our health insurance reserves due to the full costing of the health plan in the recommended budget. Any additional use of appropriated fund balance would have put the City at risk of falling below our policy goal of at least 15% undesignated fund balance.

Last year, facing a downturn in the economy and having to take the steps mid-year to cure the nearly \$3.4 million tax error by New Hanover County, we were required to use appropriated fund balance, freeze non-public safety vacancies, defer capital equipment purchases, and eliminate non-critical programs and activities. In the current year, that economic downturn has continued. Beginning in October, 2008, the city management team began to address the issues of another potential shortfall in revenue of some \$5 to \$8 million dollars. In a December, 2008 budget retreat, we advised City Council of the revenue shortfall issues and proposed a budget reduction plan which City Council endorsed. This reduction plan included many of the very same, but harsher reductions as noted above. A total budget reduction of ten percent was enacted. Sales and property taxes received to date confirm our estimates of a significant reduction in these critical areas. We also continue to be concerned that the State's financial issues may yet impact us this year and next year by withholding of pass-through local revenue.

Although we have seen glimmers of hope that the economy is recovering as we face the upcoming fiscal year, we still must deal with continued declining revenues. Sales tax projections are reduced some \$1.8 million below the current fiscal year. Property tax is reduced by some

\$600,000. In the past two years we have significantly cut into operating and capital budgets in order to meet this significant decline in our primary revenue sources. Our ability to continue to provide the citizens with a high level of service is now challenged to the highest degree. In the City Council budget work session in March, we indicated to City Council that our base budget for Fiscal 09-10 included a 5% departmental reduction. Even with this reduction, expenditures were some \$6.5 million over our revenue projections.

Given these restraints, our approach to this year's budget centers around sacrifice. This sacrifice will affect citizens, our employees, and other stakeholders, but it is not balanced squarely on any one group. Priorities have been to sustain the jobs of our employees in order to provide for core service delivery while also making operating and capital reductions where possible in order to avoid a tax increase. It is important to note that this budget is balanced with no tax increase. However, make no mistake, this recommended budget includes a number of service reductions. We have been conservative in our revenue estimates but believe they are sound. Any upside to the revenue picture will be used to replenish our fund balance and capital reserve. Measures that have been incorporated into this budget include:

- Reductions to departmental operating budgets that exceed 5%. We have managed to provide for additional departmental reductions which are discussed in greater detail later in this message. We are at a point where we cannot sustain additional reductions without affecting the delivery of core services. To that end, we have made strides in the identification and ranking of services by the City Council and the Executive Team. In the coming year, with a downsized staff, we plan to concentrate our efforts on how we can provide these programs most effectively and efficiently.
- Reductions to the general fund contribution to capital projects. In an effort to balance this budget with the decline in revenue, it is necessary to reduce the general fund contribution to the capital budget, thus reducing the amount of the capital budget. We have reduced that contribution some \$2 million below last year, which leaves us with a very lean capital improvement plan. It will be necessary and prudent, beginning in fiscal year 2010-11, to restore an appropriate level of funding to meet the infrastructure demands, e.g., roads, sidewalks, parks maintenance, riverwalk, etc. that are needed now and in the future.
- One time 2% reduction in the City's contribution to employee deferred compensation. This one-time reduction provides for a savings of approximately \$900,000. A priority for next year will be the restoration of this contribution which will be tied to employee matching funds as an additional incentive to save for retirement. We felt this was the most "least painful" way to protect the take home pay of our employees, but it must be given priority for restoration.
- A retirement incentive program which we hope will yield a \$1 million in savings. This program is envisioned to provide for an overall reduction in the number of City authorized positions. There are approximately 100 employees that are eligible for full or early retirement under the rules of the Local Government Retirement System. The incentive includes a lump sum payment equal to 4 (early retirement) or 5 (full retirement) months of a retiring employee's annual salary. In addition, the City will provide participating employees with health insurance at no cost for a period of years. We have conservatively estimated that 25% of those eligible may elect to retire.

However, if we have erred in our estimates, we may have to adjust this recommended budget to account for it.

- Elimination of the subsidy to the elderly for storm water, solid waste, and water/sewer. This elimination is not an exclusive cost cutting measure. Now that we are no longer responsible for billing water and sewer, maintaining the integrity of the database as to “who qualifies” has become quite problematic. We do not believe the benefit of the program is commensurate with our costs to try to implement it.
- No merit or pay adjustments in employee pay. There is no projection of salary or benefit increases in this budget. A priority for next year will be the restoration of the City’s merit plan in order to ensure that our employees are compensated appropriately and in line with our employment competitors.
- Reduction in benefit payments and accruals. It is recommended that beginning with new hires after the beginning of the new fiscal year, the sick leave payout at termination be eliminated and a slight reduction in the amount of annual leave earned each year be instituted. While this will have limited savings for the new budget, it will reduce the long term financial liability (potential costs) to the City. No current employee would be impacted.
- Organization restructuring. During the upcoming fiscal year, several organization adjustments will be made to consolidate functions, improve efficiencies and align more appropriately departmental functions. Highlights of these changes are:
 - Consolidate Budget Office into the Finance Department. This change will allow for a single department to have responsibility for all fiscal activities and functions of the City.
 - Engineering Division to Public Services. This action will move the Engineering Division of Development Services to the Public Services Department. The Engineering Division is heavily focused on capital improvement projects. The Public Services Department is responsible for many of the capital projects undertaken by the City and has the reporting responsibility for CIP activities. This change will allow for seamless management for planning, implementing and reporting on the capital improvement program while continuing to support the City’s development review efforts
 - Parks Maintenance to Community Services. The parks planning and recreation services function is currently housed in the Community Services Department. This transfer of park maintenance will appropriately place all park functions under a single department.
 - Transportation Demand Management (TDM) to Parking Division. This proposed reduced function is currently housed in the Development Services Department. Placing this function in the Parking Division will allow for a more strategic integration of the key elements of both programs to best serve our citizens. The incumbent employee for TDM has already been reassigned to the City Manager’s Office to provide for much needed legislative support tied to the activities of the General Assembly that affect the City.
 - Graphics Designer position to City Manager’s Office. An existing Graphics Designer position that is currently housed in the Development Services Department but reports to the Communications Division will be officially

transferred to the Communications Division of the City Manager's Office. This position is typically assigned project and other graphics work that cuts across departmental lines and are generally broader based than a single department scope.

- As an accounting change, elements of the Community Services Department and the Finance Department associated with housing and community development activities will be combined into a new fund. This will include personnel and operating costs and associated program revenues. This change will not alter the day-to-day management and operation of the departments.

Proposed Budget for Fiscal Year 2009-10

The following provides a review of the major components of the proposed budget for FY 2009-10.

Revenues

The net operating and capital budget for FY 2009-2010 is \$122,514,958, which includes a General Fund total operating budget of \$80,723,416. The significant revenue components of the budgetary plan are as follows:

- ❖ A 33.25 cents per \$100 ad valorem tax rate. This is the current tax rate and no increase is included in the budget recommendation. This represents a \$600,000 reduction from the adopted 2008-09 budget and, coupled with last year's tax error by New Hanover County, represents an annual reduction of property tax revenue over two years of approximately \$5 million.
- ❖ Local sales taxes are projected at \$14.9 million, a reduction of \$1.9 million below the current year. Over a two-year period this decline represents approximately \$3.3 million annually in revenue loss to the City. Sales tax revenue for the City is further negatively impacted for any ad valorem tax increase implemented by New Hanover County - the effect of which is delayed a fiscal year.
- ❖ We have recommended in this budget enhanced revenue generation in both the Police and Fire activities. In the coming year the Police Department will initiate a false alarm fee to cover the cost of multiple false alarms at businesses and residences. This new program should provide some \$70,000 annually. The Fire Department has restructured its fee system to capture the cost of inspections that were not previously billed. This should provide an additional \$180,000 annually.
- ❖ We have not included a rate increase for the solid waste activities. It is unclear if the County will increase significantly landfill tipping fees. If so, this fee increase can be absorbed this year, however, it may necessitate a rate increase in FY 2010-11.
- ❖ A 2% rate increase is included in this recommended budget for Storm Water. It will be followed by a 4% and 6% increase respectively in FY 2011 and 2012. Our rate study had indicated the need for a 12% increase in FY 2010-11 to cover storm water debt previously issued. This will allow for the fees necessary to cover the cost of the program to be implemented incrementally over three years thus reducing the impact to the rate payers.

- ❖ The Parking and Golf Course funds are continuing with no fee increases proposed for this year.
- ❖ Beginning undesignated General Fund Balance for FY 2008-09 was \$17 million and it is projected that this fiscal year will end with an amount of \$13.0 million, which represents 16.10% of the General Fund budget. The City Council has established a fiscal policy goal of undesignated fund balance of 15% to 20%. This estimate exceeds this policy goal. An amount of \$1.25 million of appropriated fund balance is included in this budget plan.

Operating Fund Expenditures

The FY 2009-10 budget funds continuation of current core operations. The primary changes are articulated below.

Major Budget Changes

In the beginning of this budget message were highlights of the significant revenue and cost impacts of changing economic conditions. Following are significant budgetary changes for FY 2009-10:

- ❖ Personnel Reductions – Included below is summary information on departmental reductions. The total number of positions eliminated is 36. Below is a summary of the position deletions:

City Manager

Economic Development Liaison (vacant)	-1
Budget Analyst (vacant)	-1

Community Services

Recreation Manager (vacant)	-1
Recreation Coordinator (vacant)	-1
Housing Development Coordinator (vacant)	-1
Code Enforcement Officer (vacant)	-1
Housing Rehabilitation Technician (vacant)	-1

Development Services

Staff Engineer (vacant)	-2
Electronic & Instrumentation Tech (vacant)	-1
Planner (vacant)	-1
Administrative Support Technician (vacant)	-1
Project Engineer (vacant)	-1

Police Department

Police Officers (attrition or grant funded)	-11
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Fire Department

Fire Captain (vacant)	-1
Firefighter (vacant)	-2

Public Services

Construction Worker (vacant)	-5
Facilities Project Coordinator (vacant)	-1
Grounds Technician (vacant)	-1
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General Fund Total **-34**

Fleet Management

Auto Mechanic Light (vacant)	-1
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Solid Waste Management Fund

Solid Waste Worker (vacant)	-1
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City Total **-36**

NOTE: All positions above are vacant with the exception of some public safety personnel. Employees currently in affected positions would be moved to an “over-hire” status until such time as sufficient vacancies occur via attrition or supplanted by federal grants.

❖ Key Service Reductions:

- No funds for new incentives are included in this recommended budget
- No new funding is included for special event support
- Limited City Council contingency funding
- A reduction in the number of City funded police officers
- A reduction in the Police Mounted Patrol – elimination of (2) officers but continues the program
- No funding is included for bulb and tree plantings – this affects the appearance of the City
- Elimination of the 4-H agent support
- Elimination of dock security

- ❖ Employee Compensation – There is no increase for employee compensation in this recommendation. It is important to point out that although we are not providing for any additional compensation for employees, we were able this year to implement the full recommendation of the pay and classification study concluded last year, which included at least a 2% increase in pay for all employees with many employees receiving pay hikes significantly above that level. As stated earlier in this message, it is a high priority to restore the City’s merit plan and the restoration of the City’s contribution to the employee deferred compensation program in 2010-11.

- ❖ Health Insurance – The City’s health costs have risen. Included in the budget is the effect of a cost sharing of this premium increase. Over the last five years employee costs have not increase significantly as the City has shouldered the bulk of the health care costs. Employee premium rates will be adjusted in a manner that places our rates in line with our employment competitors.

- ❖ Outside Agencies – We have reduced funding to outside agencies across the board by 5%. Agencies have been advised that the amount they receive in FY 2009-10 will be

reduced. This is the second year of our bi-annual funding process and agencies were slated to receive the same amount as currently adopted.

- ❖ Other Agencies - The City has ongoing contracts with the Wilmington Film Commission, Wilmington Industrial Development, and Wilmington Downtown, Incorporated that requires annual increases for the City support based on the change in the consumer price index (CPI). Each of these entities, at the request of the City, has voluntarily agreed to hold the City funding support to the same level as in the current adopted budget. This budget recommendation reflects that change. It is anticipated that the City funding of these agencies will increase in accordance with the CPI in the FY 2010-11.
- ❖ Vehicle fuel/utility costs – These areas of the budget have increased based on the proposed rate increases from our utility providers. The City continues to take steps to hold down the cost of energy including a review of the City fleet for potential reductions, consideration of alternative fuel vehicles when vehicle purchases are necessary, and other energy conservation measures that yield long term savings.
- ❖ WAVE transit subsidy – While the City of Wilmington has not yet received a formal budget request from WAVE, informally we have been asked to provide for the same level of funding for next year as the current year adopted. That amount is \$1,040,000.
- ❖ Debt Management – The City continues to provide approximately 11% of the General Fund contribution to the debt service and is included in this proposed budget. The City maintains a strong financial position, due in part to its effective debt management. The City's credit rating was upgraded in April, 2008 by Standard & Poor's Rating Group from AA to AA+.
- ❖ SafeLight Program – The City has committed to funding this program for FY 2008-09 with General Fund support of \$250,000. This program is continuing as a joint cost sharing with New Hanover County.
- ❖ Capital Improvement Program – The program has been reduced to a level of funding that provides for only the most necessary projects, mainly in the capital maintenance areas. We have provided a portion of funding for the Police Firing Range project in an amount of \$800,000. This funding will provide for land purchase and some potential design work. The construction cost for this facility is not in the five-year CIP. This same scenario occurs with the Fire Stations Improvements. We have funded \$1,000,000 for this project that will provide for land purchase for new stations. However, the estimated cost of renovations or fire station replacement is \$22 million. A funding source will need to be identified before these costs can be programmed into the CIP.

We are entering this budget year with an expectation of assistance from the Federal Reinvestment and Recovery Act which is anticipated to infuse substantial funding into local government for capital funding and operating assistance for the Police. Wilmington is expecting its fair share. The budget reduction for the Police anticipates that federal grant funding will be available to offset the proposed personnel reductions. In the event that federal funding cannot be secured, it will be necessary to provide for a supplemental appropriation during the next fiscal year to cover these costs.

We also have avoided closing any fire stations at this time but with the reduction of fire personnel in this budget, we will be looking at future deployment options that will allow for maintaining the current high level of service.

We will continue to evaluate and refine our methods of doing business. As we move into next year, we must appropriately restore our pay and benefits to our employees, while also supporting our operating programs that are expanding or in need of expansion.

Plans for a Bright Future

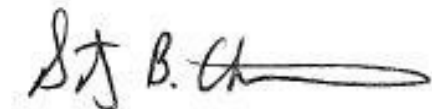
The City of Wilmington has always strived to provide high quality services at the lowest possible costs. We will continue to do so by examining current processes and procedures. Our City departments are challenged to meet the ever increasing demand for services with very limited resources to call upon. We cannot put at risk the future of our community by failing to invest properly in infrastructure, services and people. We continue to face new demands for services as new park space comes on line and more visitors are attracted to our community while our resources continue to decline. We believe the economy is destined to begin rebounding into the new fiscal year. Yet, with our pent up needs for infrastructure, services and good people, we may find it necessary to recommend a tax increase next year

In closing, I would like to commend the City Council for their foresight and focus on taking strategic actions to rebuild our local economy. We can look to a more vibrant and inclusive community as a result of tangible actions taken such as: the pending annexations, the completion of the downtown Convention Center and the redevelopment of the Northern Downtown Riverfront District, street upgrades and neighborhood improvements. It is this leadership that will lead the community through these tough economic times to a brighter future.

Last, I want to commend the budget staff and City departments who worked tirelessly and shared in the burden of preparation of this very challenging budget.

We look forward to working with City Council as you consider this “Bare Bones”
Recommended Budget.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "St B. Cheatham", with a long horizontal flourish extending to the right.

Sterling B. Cheatham
City Manager

REVENUE AND EXPENDITURE SUMMARY

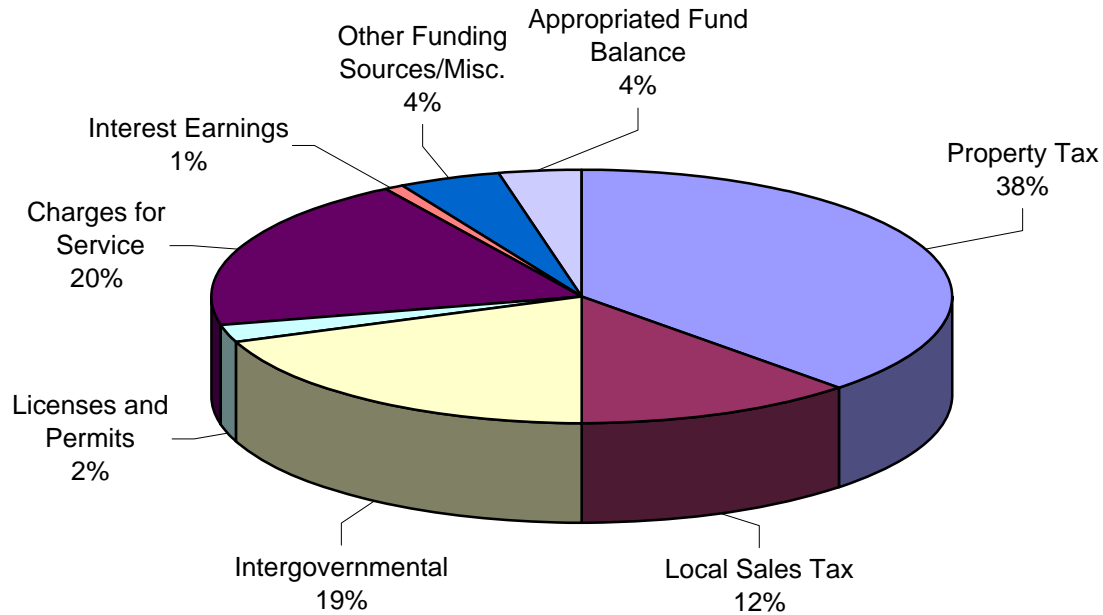
	REVENUES			EXPENDITURES		
	Total Revenues	Less Approp Fm Other Funds	NET Revenues	Total Expenditures	Less Approp To Other Funds	NET Expenditures
OPERATING FUNDS						
General Fund	80,723,416	-	80,723,416	80,723,416	11,169,189	69,554,227
Storm Water Mgmt Fund	6,494,610	-	6,494,610	6,494,610	200,000	6,294,610
Solid Waste Mgmt Fund	8,159,668	-	8,159,668	8,159,668	-	8,159,668
SUBTOTAL	95,377,694	-	95,377,694	95,377,694	11,369,189	84,008,505
PROGRAM FUNDS						
Special Purpose Fund	50,000	50,000	-	50,000	-	50,000
CDBG Fund	874,829	-	874,829	874,829	400,000	474,829
CDBG/HOME Grant and Loan Fund	816,405	816,405	-	816,405	-	816,405
HOME Partnership Fund	804,741	-	804,741	804,741	60,000	744,741
Parking Facilities Fund	2,556,510	-	2,556,510	2,556,510	-	2,556,510
Golf Course Fund	1,104,050	-	1,104,050	1,104,050	-	1,104,050
Fleet Fund	7,382,108	-	7,382,108	7,382,108	-	7,382,108
Convention Center Fund	3,251,646	-	3,251,646	3,251,646	-	3,251,646
PC Replacement Fund	447,596	-	447,596	447,596	-	447,596
SUBTOTAL	17,287,885	866,405	16,421,480	17,287,885	460,000	16,827,885
DEBT SERVICE FUNDS						
Debt Service Fund	20,056,793	9,077,784	10,979,009	20,056,793	-	20,056,793
CAPITAL PROJECT FUNDS						
Streets & Sidewalks	1,260,000	1,260,000	-	1,260,000	-	1,260,000
Storm Water/Drainage	200,000	200,000	-	200,000	-	200,000
Parks & Recreation	425,000	425,000	-	425,000	-	425,000
Public Facilities	-	-	-	-	-	-
SUBTOTAL	1,885,000	1,885,000	-	1,885,000	-	1,885,000
TOTAL ALL FUNDS	134,607,372	11,829,189	122,778,183	134,607,372	11,829,189	122,778,183

TOTAL BUDGET SUMMARY

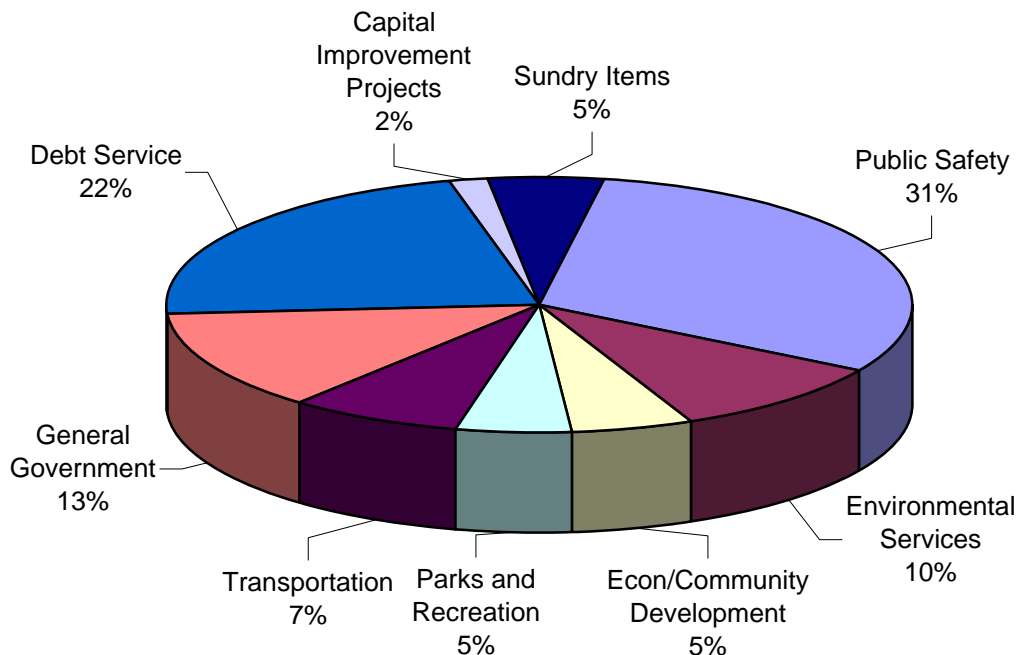
(Net of Interfund Transfers)

	FY 07-08	FY 08-09	FY 09-10	% Change
	Actuals	Adopted	Adopted	FY 2008-09 to FY 2009-10
REVENUES				
Property Tax	41,472,281	47,024,700	46,399,175	
Local Sales Tax	16,801,642	16,728,531	14,927,949	
Intergovernmental	27,442,213	26,552,552	23,749,406	
Licenses and Permits	2,536,006	2,282,400	2,520,449	
Charges for Service	65,313,745	21,632,756	24,389,480	
Interest Earnings	5,846,654	956,000	828,050	
Other Long Term Debt	96,998,579	-	819,200	
Miscellaneous	1,206,941	1,635,051	4,573,033	
Appropriated Fund Balance	-	11,282,818	4,571,441	
TOTAL	257,618,061	128,094,808	122,778,183	-4.2%
EXPENDITURES				
Public Safety	36,315,782	38,279,592	37,972,160	
Environmental Services	28,639,212	12,070,282	11,773,710	
Econ/Community Development	7,787,365	7,540,424	6,418,503	
Parks and Recreation	5,787,181	6,610,925	6,411,192	
Transportation	7,918,751	8,996,283	8,891,529	
General Government	17,774,507	16,944,424	15,673,326	
Debt Service	26,980,510	26,516,689	27,480,329	
Capital Improvement Projects	69,179,799	5,525,000	1,985,140	
Sundry Items	13,314,855	5,611,189	6,172,294	
TOTAL	213,697,962	128,094,808	122,778,183	-4.2%

**Total City Revenues FY 2009-10
(Net of Interfund Transfers)**



**Total City Expenditures FY 2009-10
(Net of Interfund Transfers)**

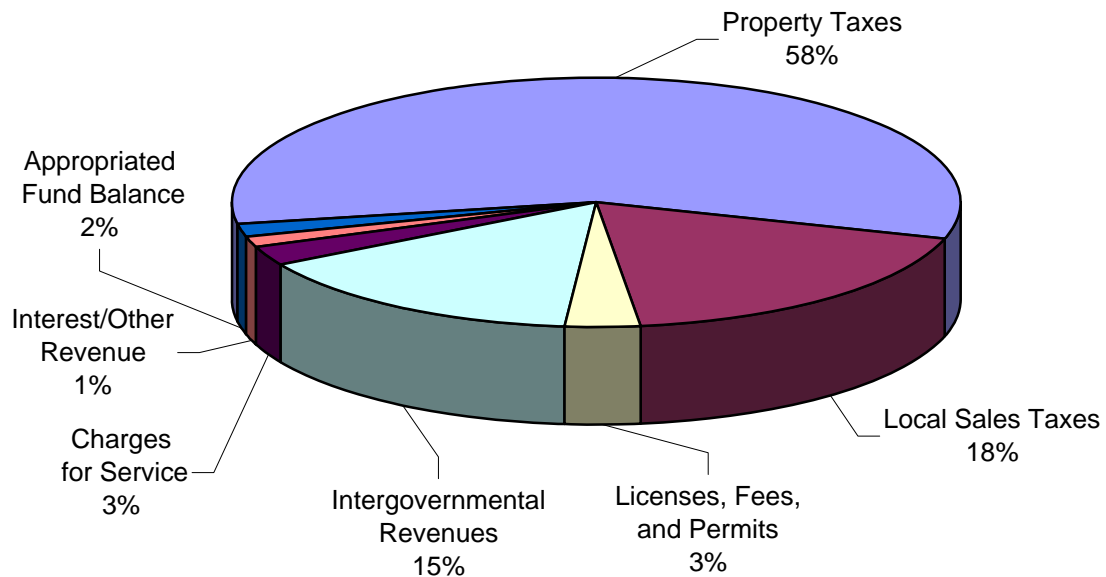


GENERAL FUND BUDGET SUMMARY

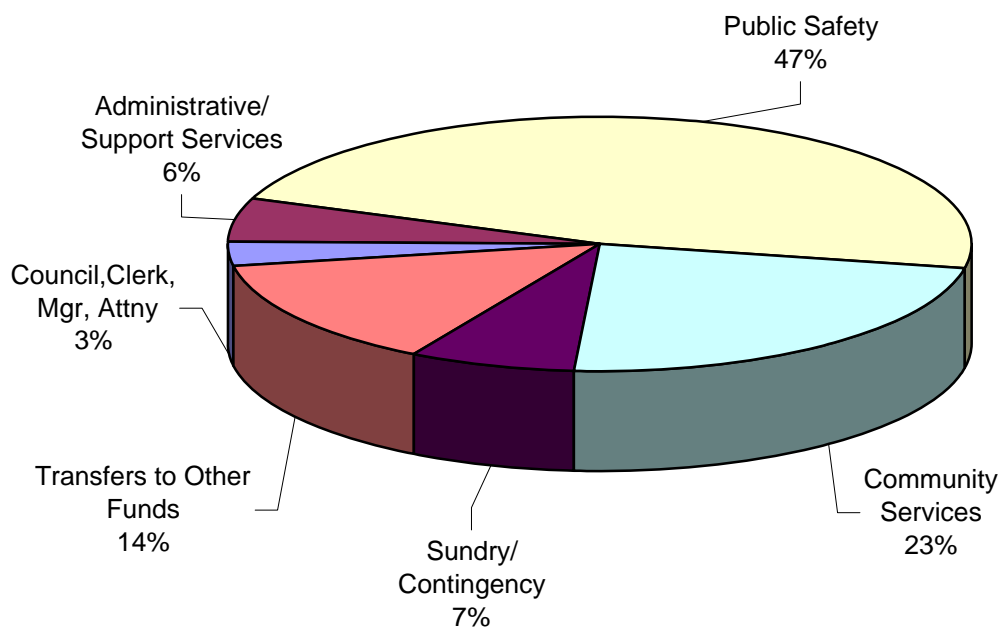
(Including Interfund Transfers)

	FY 07-08 Actual	FY 08-09 Adopted	FY 08-09 Adjusted	FY 09-10 Adopted	% Change FY 08-09 to FY 09-10
REVENUES					
Property Taxes	41,472,281	47,024,700	47,024,700	46,399,175	
Local Sales Taxes	16,801,642	16,728,531	16,728,531	14,927,949	
Licenses, Fees, and Permits	2,521,012	2,270,400	2,270,400	2,510,449	
Intergovernmental Revenues	12,806,652	12,877,507	12,877,507	12,384,472	
Charges for Current Services	5,436,912	1,810,650	1,810,650	2,085,171	
Fines and Forfeitures	97,851	100,000	100,000	126,200	
Interest Earnings	1,202,878	600,000	600,000	500,000	
Other Revenue	991,451	600,000	3,657,083	540,000	
Appropriated Fund Balance	-	4,491,000	1,324,396	1,250,000	
Total	81,330,679	86,502,788	86,393,267	80,723,416	-6.7%
EXPENDITURES					
Governance					
City Council	195,563	203,473	203,473	184,866	
City Clerk	155,201	183,667	187,667	176,654	
City Manager	1,343,826	1,457,594	1,460,203	1,144,903	
City Attorney	748,072	804,079	805,156	862,377	
Human Resources	739,836	768,222	768,222	676,586	
Finance	2,476,099	1,861,781	1,870,724	1,931,384	
Information Technology	1,923,267	2,443,175	2,493,373	2,075,374	
Community Services	4,384,068	4,988,511	5,001,552	6,801,587	
Development Services	6,799,342	7,449,662	7,665,573	5,462,944	
Police	22,397,048	23,909,629	24,011,276	23,456,213	
Fire	13,918,734	14,369,963	14,374,516	14,515,947	
Public Services	7,424,745	8,448,030	8,510,725	6,293,095	
Sundry	7,358,042	6,071,378	6,200,122	5,839,747	
Contingency	-	143,935	53,935	132,550	
Transfers to Other Funds	13,933,275	13,399,689	12,786,750	11,169,189	
Total	83,797,118	86,502,788	86,393,267	80,723,416	-6.7%

General Fund Revenues FY 2009-10 (Including Interfund Transfers)



General Fund Expenditures FY 2009-10 (Including Interfund Transfers)



Compiled Budget

	GENERAL FUND	SOLID WASTE MANAGEMENT FUND	STORM WATER MANAGEMENT FUND	GOLF COURSE FUND
ESTIMATED REVENUES				
SOURCE				
Property Tax	\$ 46,399,175	\$ -	\$ -	\$ -
Local Sales Tax	\$ 14,927,949	-	-	-
Intergovernmental	\$ 12,384,472	57,332	-	-
Licenses and Permits	\$ 2,510,449	-	10,000	-
Charges for Service	\$ 2,085,171	8,071,665	5,171,012	1,092,100
Interest Earnings	\$ 500,000	24,150	63,460	11,950
Miscellaneous	\$ 666,200	-	-	-
Other Long Term Debt	\$ -	-	-	-
TOTAL ESTIMATED REVENUES	\$ 79,473,416	\$ 8,153,147	\$ 5,244,472	\$ 1,104,050
EXPENDITURES				
FUNCTIONAL AREA				
Public Safety	\$ 37,972,160	\$ -	\$ -	\$ -
Environmental Services	\$ 60,765	7,454,696	4,258,249	-
Econ/Community Development	\$ 4,457,668	-	-	-
Parks and Recreation	\$ 5,434,125	-	-	977,067
Transportation	\$ 7,198,042	-	-	-
General Government	\$ 9,834,935	-	-	-
Debt Service	\$ -	233,714	1,347,036	-
Capital Improvement Projects	\$ -	-	-	-
Sundry Items	\$ 3,219,311	471,258	689,325	126,983
TOTAL EXPENDITURES	\$ 68,177,006	\$ 8,159,668	\$ 6,294,610	\$ 1,104,050
ESTIMATED REVENUES OVER/(UNDER) EXPENDITURES	\$ 11,296,410	\$ (6,521)	\$ (1,050,138)	\$ -
OTHER FINANCING SOURCES/USES				
Transfers From Other Funds				
General Fund	\$ -	\$ -	\$ 1,377,221	\$ -
Golf Course Fund	-	-	-	-
Storm Water Fund	-	-	-	-
Community Development Block Grant Fund	-	-	-	-
HOME Investment Partnership Fund	-	-	-	-
Transfers To Other Funds				
Special Purpose Fund	(50,000)	-	-	-
CDBG/HOME Grant and Loan Fund	(356,405)	-	-	-
Storm Water Fund	(1,377,221)	-	-	-
Debt Service Fund	(9,077,784)	-	-	-
Streets & Sidewalks Capital Projects	(1,260,000)	-	-	-
Parks & Recreation Capital Projects	(425,000)	-	-	-
Public Facilities Capital Projects	-	-	-	-
Parking Facilities Fund	-	-	-	-
Solid Waste Management Fund	-	-	-	-
Capital Project Funds	-	-	(200,000)	-
Appropriated Fund Balance	1,250,000	6,521	(127,083)	-
TOTAL OTHER FINANCING SOURCES/USES	\$ (11,296,410)	\$ 6,521	\$ 1,050,138	\$ -
ESTIMATED REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ -	\$ -	\$ -	\$ -

Compiled Budget

	COMMUNITY DEVELOPMENT BLOCK GRANT FUND	CDBG/HOME GRANT AND LOAN FUND	HOME INVESTMENT PARTNERSHIP FUND	PARKING FACILITIES FUND
ESTIMATED REVENUES				
SOURCE				
Property Tax	\$ -	\$ -	\$ -	\$ -
Local Sales Tax	-	-	-	-
Intergovernmental	871,829	-	654,741	-
Licenses and Permits	-	-	-	-
Charges for Service	-	-	-	2,524,010
Interest Earnings	-	-	-	32,500
Miscellaneous	3,000	-	150,000	-
Other Long Term Debt	-	-	-	-
TOTAL ESTIMATED REVENUES	\$ 874,829	\$ -	\$ 804,741	\$ 2,556,510
EXPENDITURES				
FUNCTIONAL AREA				
Public Safety	\$ -	\$ -	\$ -	\$ -
Environmental Services	-	-	-	-
Econ/Community Development	349,689	816,405	744,741	-
Parks and Recreation	-	-	-	-
Transportation	-	-	-	1,693,487
General Government	-	-	-	-
Debt Service	-	-	-	811,848
Capital Improvement Projects	100,140	-	-	-
Sundry Items	25,000	-	-	51,175
TOTAL EXPENDITURES	\$ 474,829	\$ 816,405	\$ 744,741	\$ 2,556,510
ESTIMATED REVENUES OVER/(UNDER) EXPENDITURES	\$ 400,000	\$ (816,405)	\$ 60,000	\$ -
OTHER FINANCING SOURCES/USES				
Transfers From Other Funds				
General Fund	\$ -	\$ 356,405	\$ -	\$ -
Golf Course Fund	-	-	-	-
Storm Water Fund	-	-	-	-
Community Development Block Grant Fund	-	400,000	-	-
HOME Investment Partnership Fund	-	60,000	-	-
Transfers To Other Funds				
Special Purpose Fund	-	-	-	-
CDBG/HOME Grant and Loan Fund	(400,000)	-	(60,000)	-
Storm Water Fund	-	-	-	-
Debt Service Fund	-	-	-	-
Streets & Sidewalks Capital Projects	-	-	-	-
Parks & Recreation Capital Projects	-	-	-	-
Public Facilities Capital Projects	-	-	-	-
Parking Facilities Fund	-	-	-	-
Solid Waste Management Fund	-	-	-	-
Capital Project Funds	-	-	-	-
Appropriated Fund Balance	-	-	-	-
TOTAL OTHER FINANCING SOURCES/USES	\$ (400,000)	\$ 816,405	\$ (60,000)	\$ -
ESTIMATED REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ -	\$ -	\$ -	\$ -

Compiled Budget

	EQUIPMENT MAINTENANCE & REPLACEMENT FUND	COMPUTER REPLACEMENT FUND	DEBT SERVICE FUND	SPECIAL PURPOSE FUND
ESTIMATED REVENUES				
SOURCE				
Property Tax	\$ -	\$ -	\$ -	\$ -
Local Sales Tax	-	-	-	-
Intergovernmental	260,000	-	6,269,386	-
Licenses and Permits	-	-	-	-
Charges for Service	3,620,705	447,596	-	-
Interest Earnings	59,400	-	136,590	-
Miscellaneous	-	-	-	-
Other Long Term Debt	-	-	4,573,033	-
TOTAL ESTIMATED REVENUES	\$ 3,940,105	\$ 447,596	\$ 10,979,009	\$ -
EXPENDITURES				
FUNCTIONAL AREA				
Public Safety	\$ -	\$ -	\$ -	\$ -
Environmental Services	-	-	-	-
Econ/Community Development	-	-	-	50,000
Parks and Recreation	-	-	-	-
Transportation	-	-	-	-
General Government	5,112,660	447,596	-	-
Debt Service	2,259,998	-	19,854,222	-
Capital Improvement Projects	-	-	-	-
Sundry Items	9,450	-	202,571	-
TOTAL EXPENDITURES	\$ 7,382,108	\$ 447,596	\$ 20,056,793	\$ 50,000
ESTIMATED REVENUES OVER/(UNDER) EXPENDITURES				
	\$ (3,442,003)	\$ -	\$ (9,077,784)	\$ (50,000)
OTHER FINANCING SOURCES/USES				
Transfers From Other Funds				
General Fund	\$ -	\$ -	\$ 9,077,784	\$ 50,000
Golf Course Fund	-	-	-	-
Storm Water Fund	-	-	-	-
Community Development Block Grant Fund	-	-	-	-
HOME Investment Partnership Fund	-	-	-	-
Transfers To Other Funds				
Special Purpose Fund	-	-	-	-
CDBG/HOME Grant and Loan Fund	-	-	-	-
Storm Water Fund	-	-	-	-
Debt Service Fund	-	-	-	-
Streets & Sidewalks Capital Projects	-	-	-	-
Parks & Recreation Capital Projects	-	-	-	-
Public Facilities Capital Projects	-	-	-	-
Parking Facilities Fund	-	-	-	-
Solid Waste Management Fund	-	-	-	-
Capital Project Funds	-	-	-	-
Appropriated Fund Balance	3,442,003	-	-	-
TOTAL OTHER FINANCING SOURCES/USES	\$ 3,442,003	\$ -	\$ 9,077,784	\$ 50,000
ESTIMATED REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES				
	\$ -	\$ -	\$ -	\$ -

Compiled Budget

	STREETS & SIDEWALKS CIP	STORM WATER/DRAIN- AGE CIP	PARKS & RECREATION CIP	CONVENTION CENTER FUND
ESTIMATED REVENUES				
SOURCE				
Property Tax	\$ -	\$ -	\$ -	\$ -
Local Sales Tax	-	-	-	-
Intergovernmental	-	-	-	3,251,646
Licenses and Permits	-	-	-	-
Charges for Service	-	-	-	-
Interest Earnings	-	-	-	-
Miscellaneous	-	-	-	-
Other Long Term Debt	-	-	-	-
TOTAL ESTIMATED REVENUES	\$ -	\$ -	\$ -	\$ 3,251,646
EXPENDITURES				
FUNCTIONAL AREA				
Public Safety	\$ -	\$ -	\$ -	\$ -
Environmental Services	-	-	-	-
Econ/Community Development	-	-	-	-
Parks and Recreation	-	-	-	-
Transportation	-	-	-	-
General Government	-	-	-	278,135
Debt Service	-	-	-	2,973,511
Capital Improvement Projects	1,260,000	200,000	425,000	-
Sundry Items	-	-	-	-
TOTAL EXPENDITURES	\$ 1,260,000	\$ 200,000	\$ 425,000	\$ 3,251,646
ESTIMATED REVENUES OVER/(UNDER) EXPENDITURES				
	\$ (1,260,000)	\$ (200,000)	\$ (425,000)	\$ -
OTHER FINANCING SOURCES/USES				
Transfers From Other Funds				
General Fund	\$ 1,260,000	\$ -	\$ 425,000	\$ -
Golf Course Fund	-	-	-	-
Storm Water Fund	-	200,000	-	-
Community Development Block Grant Fund	-	-	-	-
HOME Investment Partnership Fund	-	-	-	-
Transfers To Other Funds				
Special Purpose Fund	-	-	-	-
CDBG/HOME Grant and Loan Fund	-	-	-	-
Storm Water Fund	-	-	-	-
Debt Service Fund	-	-	-	-
Streets & Sidewalks Capital Projects	-	-	-	-
Parks & Recreation Capital Projects	-	-	-	-
Public Facilities Capital Projects	-	-	-	-
Parking Facilities Fund	-	-	-	-
Solid Waste Management Fund	-	-	-	-
Capital Project Funds	-	-	-	-
Appropriated Fund Balance	-	-	-	-
TOTAL OTHER FINANCING SOURCES/USES	\$ 1,260,000	\$ 200,000	\$ 425,000	\$ -
ESTIMATED REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES				
	\$ -	\$ -	\$ -	\$ -

APPROPRIATIONS BY FUND

The City of Wilmington has established separate funds for the purpose of reporting and accounting for all financial transactions. Each fund represents a separate financial and accounting entity established for the purpose of carrying out a specific set of activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations that pertain to the operations or resources of the fund.

Operating Funds

These funds provide for all of the basic operations of the City government.

The **General Fund (010)** is the general purpose fund of the City of Wilmington. It was established to account for all financial resources, except those required by State law, local ordinance, and generally accepted accounting principles, to be accounted for in another fund. General Fund revenues primarily include property taxes, sales taxes, revenues from state and federal governments, licenses, fees, and permits. The major operating activities include general government, public safety, community development, transportation and other governmental service functions.

The **Storm Water Management Fund (050)** are revenues and expenditures associated with the City's storm water planning, maintenance, public information efforts and the City's drainage capital improvements. The storm water utility fee, which is based on the amount of impervious surface present on each parcel of property, is the primary revenue source for these expenditures.

The **Public Utilities Fund (051)** Historical expenditures associated with this fund were funded primarily through water and sewer fees. Effective July 1, 2008 the consolidation of the City and County water and sewer services began providing those services as the Cape Fear Public Utility Authority.

The **Solid Waste Management Fund (056)** includes revenues and expenditures for the collection and disposal of garbage, yard waste, recyclable materials and other refuse. Solid waste customer fees are the primary revenue source for this fund.

The **Groundwater Utility Fund (058)** was created when groundwater (well) systems were purchased by the City in FY 1999-2000. Historical expenditures associated with the fund include billing, collections, water pumping, maintenance of lines, and new connections. Effective July 1, 2008 the consolidation of the City and County water and sewer services began providing those services as the Cape Fear Public Utility Authority.

Operating Funds

	FY 07-08 Actuals	FY 08-09 Adopted	FY 09-10 Adopted	% Change
010 GENERAL FUND	83,797,118	86,502,788	80,723,416	
<i>Less Appropriations to Other Funds</i>	<i>(13,882,648)</i>	<i>(14,416,974)</i>	<i>(11,169,189)</i>	
NET GENERAL FUND	69,914,470	72,085,814	69,554,227	
050 STORM WATER MANAGEMENT FUND	9,076,561	6,479,640	6,494,610	
<i>Less Appropriations to Other Funds</i>	<i>(678,400)</i>	<i>(200,000)</i>	<i>(200,000)</i>	
NET STORM WATER MANAGEMENT FUND	8,398,161	6,279,640	6,294,610	
051 PUBLIC UTILITIES FUND	32,550,039	-	-	
<i>Less Appropriations to Other Funds</i>	<i>(1,821,000)</i>	-	-	
NET PUBLIC UTILITIES FUND	30,729,039	-	-	
056 SOLID WASTE MANAGEMENT FUND	7,589,027	8,646,814	8,159,668	
<i>Less Appropriations to Other Funds</i>	-	-	-	
NET SOLID WASTE MANAGEMENT FUND	7,589,027	8,646,814	8,159,668	
058 GROUNDWATER UTILITY FUND	4,531,670	-	-	
<i>Less Appropriations to Other Funds</i>	-	-	-	
NET GROUNDWATER UTILITY FUND	4,531,670	-	-	
TOTAL OPERATING FUNDS	137,544,415	101,629,242	95,377,694	-6.2%
<i>Less Appropriations to Other Funds</i>	<i>(16,382,048)</i>	<i>(14,616,974)</i>	<i>(11,369,189)</i>	
NET OPERATING FUNDS	121,162,367	87,012,268	84,008,505	-3.5%

Program Funds

Each of these funds is set up to meet a specific purpose and function, but the services they provide are not mandated by law.

The **Special Purpose Fund (021)** is supported primarily by grant funds and donations to the City for special purposes.

The **Convention Center Operating Fund (022)** is supported primarily by Room Occupancy Tax funds allocated to the City for the development of the Convention Center.

The **Community Development Block Grant Fund (023)** is supported primarily by federal grant funds allocated to the City for community development programs designed to improve low and moderate income neighborhoods.

The **CDBG/HOME Grant and Loan Fund (024)** is supported by CDBG and HOME Partnership administrative funds allocated under the entitlement to the City as well as General Fund revenues to support low and moderate income housing and community development activities.

The **HOME Partnership Fund (025)** is supported primarily by federal grant funds allocated to the City for housing-related activities in low and moderate income neighborhoods.

The **Facility Fee Fund (052)** includes fees paid by developers to help pay for expansions and improvements to the water and sewer system.

The **Parking Facilities Fund (055)** provides for the general operational and maintenance costs for the Second and Market Street parking decks, the Second Street parking lot and on-street parking. The fund is supported by parking deck and meter user fees as well as interest earnings and a transfer from the General Fund.

The **Golf Course Fund (057)** is supported by the income received at the City's municipal golf course and the associated costs with running that operation.

The **Equipment/Maintenance and Replacement (Fleet) Fund (061)** is an internal service fund that centralizes the expenditures for the maintenance and replacement of vehicles for all participating departments. Each City department makes annual payments according to the types of vehicles leased.

The **Personal Computer Replacement Fund (065)** is an internal service fund that provides for the replacement of desktop computers and laptops to reduce the technology gap. Revenues for this fund consist of internal charges to City departments for replacement according to the type of computer leased.

Program Funds

	FY 07-08 Actuals	FY 08-09 Adopted	FY 09-10 Adopted	% Change
021 SPECIAL PURPOSE FUND	1,601,494	-	50,000	
<i>Less Appropriations to Other Funds</i>	<i>(100,000)</i>	-	-	
NET SPECIAL PURPOSE FUND	1,501,494	-	50,000	
 CONVENTION CENTER OPERATING				
022 FUND	4,500	94,135	3,251,646	
<i>Less Appropriations to Other Funds</i>	-	-	-	
NET CONVENTION CENTER FUND	4,500	94,135	3,251,646	
 COMMUNITY DEVELOPMENT BLOCK				
023 GRANT FUND	892,410	900,000	874,829	
<i>Less Appropriations to Other Funds</i>	-	-	-	
NET CDBG FUND	892,410	900,000	874,829	
 024 CDBG/HOME GRANT AND LOAN FUND	-	-	816,405	
<i>Less Appropriations to Other Funds</i>	-	-	-	
NET CD/HM GRANT AND LOAN FUND	-	-	816,405	
 025 HOME PARTNERSHIP FUND	1,573,240	795,486	804,741	
<i>Less Appropriations to Other Funds</i>	-	-	-	
NET HOME PARTNERSHIP FUND	1,573,240	795,486	804,741	
 052 FACILITY FEE FUND	1,850,000	-	-	
<i>Less Appropriations to Other Funds</i>	<i>(1,850,000)</i>	-	-	
NET FACILITY FEE FUND	-	-	-	
 055 PARKING FACILITIES FUND	2,422,820	2,537,956	2,556,510	
<i>Less Appropriations to Other Funds</i>	<i>(135,000)</i>	-	-	
NET PARKING FACILITIES FUND	2,287,820	2,537,956	2,556,510	
 057 GOLF COURSE FUND	1,057,241	1,221,000	1,104,050	
<i>Less Appropriations to Other Funds</i>	<i>(79,357)</i>	<i>(80,000)</i>	-	
NET GOLF COURSE FUND	977,884	1,141,000	1,104,050	

FY 2009-10 Adopted Budget

	FY 07-08 Actuals	FY 08-09 Adopted	FY 09-10 Adopted	% Change
061 FLEET FUND	7,327,536	7,820,688	7,382,108	
<i>Less Appropriations to Other Funds</i>	-	-	-	
NET FLEET FUND	7,327,536	7,820,688	7,382,108	
065 COMPUTER REPLACEMENT FUND	391,367	503,885	447,596	
<i>Less Appropriations to Other Funds</i>	-	-	-	
NET COMPUTER REPLACEMENT FUND	391,367	503,885	447,596	
TOTAL PROGRAM FUNDS	17,120,608	13,873,150	17,287,885	24.6%
<i>Less Appropriations to Other Funds</i>	<i>(2,164,357)</i>	<i>(80,000)</i>	-	
NET PROGRAM FUNDS	14,956,251	13,793,150	17,287,885	25.3%

Debt Service Funds

The Debt Service Fund (015) was established to set aside resources to meet current and future debt service requirements on general long-term debt.

	FY 07-08 Actuals	FY 08-09 Adopted	FY 09-10 Adopted	% Change
015 DEBT SERVICE FUND	7,564,375	21,977,390	20,056,793	
<i>Less Appropriations to Other Funds</i>	-	-	-	
NET DEBT SERVICE FUNDS	7,564,375	21,977,390	20,056,793	-8.7%

Capital Project Funds

The purpose of the Capital Project Funds is to account for the financial resources segregated for the acquisition or construction of major capital facilities. The budgets within these funds are adopted for the life of the project, with revenues and expenditures accumulating until the year in which the project is completed.

The Capital Project Funds provide for street and sidewalk improvements projects, park improvement projects, water and sewer system improvements, and various other physical improvement projects which typically cost over \$50,000 and have a useful life greater than five years and are approved by the City Council.

Funding for capital projects comes from several sources, including property and sales tax collections as well as fees.

Capital Project Funds

	FY 07-08 Actuals	FY 08-09 Adopted	FY 09-10 Adopted	% Change
031 STREETS AND SIDEWALKS	3,955,956	6,661,000	2,260,000	
<i>Less Debt Funding</i>	-	(2,750,000)	(1,000,000)	
NET STREETS AND SIDEWALKS	3,955,956	3,911,000	1,260,000	
032 STORM WATER/DRAINAGE	4,300,749	4,318,000	5,770,000	
<i>Less Debt Funding</i>	-	(4,118,000)	(5,570,000)	
NET STORM WATER/DRAINAGE	4,300,749	200,000	200,000	
033 PARKS AND RECREATION	5,610,951	325,000	425,000	
<i>Less Debt Funding</i>	-	-	-	
NET PARKS AND RECREATION	5,610,951	325,000	425,000	
034 PUBLIC FACILITIES	20,893,143	2,996,000	1,800,000	
<i>Less Debt Funding/Interfund Transfer</i>	(829,328)	(2,200,000)	(1,800,000)	
NET PUBLIC FACILITIES	20,063,815	796,000	-	

	FY 07-08 Actuals	FY 08-09 Adopted	FY 09-10 Adopted	% Change
035 PARKING FACILITIES	3,000	-	-	
<i>Less Debt Funding</i>	-	-	-	
NET PARKING FACILITIES	3,000	-	-	
 036 GOLF COURSE	80,610	80,000	-	
<i>Less Debt Funding</i>	-	-	-	
NET GOLF COURSE	80,610	80,000	-	
 053 WATER	5,198,000	-	-	
<i>Less Debt Funding</i>	-	-	-	
NET WATER	5,198,000	-	-	
 054 SANITARY SEWER	30,801,888	-	-	
<i>Less Debt Funding</i>	-	-	-	
NET SANITARY SEWER	30,801,888	-	-	
 TOTAL CAPITAL PROJECTS FUNDS	70,844,297	14,380,000	10,255,000	
<i>Less Debt Funding/Interfund Transfer</i>	<i>(829,328)</i>	<i>(9,068,000)</i>	<i>(8,370,000)</i>	
NET CAPITAL PROJECTS FUNDS	70,014,969	5,312,000	1,885,000	-64.5%
GRAND TOTAL ALL FUNDS	233,073,695	151,859,782	142,977,372	
<i>Less Debt and Interfund Transfers</i>	<i>(19,375,733)</i>	<i>(23,764,974)</i>	<i>(19,739,189)</i>	
NET ALL FUNDS	213,697,962	128,094,808	123,238,183	-3.8%

CAPITAL DEBT SERVICE PROJECTS

	FY 2008-09 Adopted	FY 2009-10 Adopted
031 - STREETS AND SIDEWALKS		
General Obligation Bonds	250,000	1,000,000
Installment Financing	2,500,000	-
034 - PUBLIC FACILITIES		
Installment Financing	2,000,000	1,800,000
New Hanover County Parks Bonds	200,000	-
032 - STORM WATER/DRAINAGE		
Revenue Bonds	4,118,000	5,570,000
TOTAL CAPITAL DEBT SERVICE PROJECTS	9,068,000	8,370,000

GENERAL FUND FINANCIAL FORECAST

	Actual FY 2007-08	Adopted FY 2008-09	Adjusted FY 2008-09	Estimated Actual FY 2008-09	Adopted FY 2009-10	Estimated FY 2010-11
REVENUES						
Property Taxes	41,472,281	47,024,700	47,024,700	45,950,456	46,399,175	47,937,816
Sales Taxes	16,801,642	16,728,531	16,728,531	13,667,521	14,927,949	14,311,036
Licenses, Fees, and Permits	2,521,012	2,270,400	2,270,400	2,356,411	2,510,449	2,538,193
Intergovernmental Revenues	12,806,652	12,877,507	12,877,507	12,563,180	12,384,472	12,605,876
Charges for Current Services	5,436,912	1,810,650	1,810,650	1,980,946	2,085,171	2,118,492
Fines and Forfeitures	97,851	100,000	100,000	61,493	126,200	126,200
Interest Earnings	1,202,878	600,000	600,000	475,715	500,000	505,000
Miscellaneous & Financing Proceeds	391,451	600,000	607,500	702,780	540,000	540,000
Transfers From Other Funds	600,000	-	3,049,583	3,049,583	-	-
Appropriated Fund Balance	2,466,439	4,491,000	1,324,396	5,062,004	1,250,000	-
TOTAL REVENUES	83,797,118	86,502,788	86,393,267	85,870,089	80,723,416	80,682,613
EXPENDITURES						
City Council	195,563	203,473	203,473	203,473	184,866	196,178
City Clerk	155,201	183,667	187,667	207,533	176,654	158,987
City Manager	1,343,826	1,457,594	1,460,203	1,346,662	1,144,903	1,253,451
City Attorney	748,072	804,079	805,156	858,729	862,377	915,035
Human Resources	739,836	768,222	768,222	600,071	676,586	716,984
Finance	2,476,099	1,861,781	1,870,724	1,826,779	1,931,384	2,114,054
Information Technology	1,923,267	2,443,175	2,493,373	2,391,317	2,075,374	2,184,818
Development Services	6,799,342	7,449,662	7,665,573	7,254,235	5,462,944	5,881,932
Community Services	4,384,068	4,988,511	5,001,552	4,536,965	6,801,587	7,185,910
Police	22,397,048	23,909,629	24,011,276	24,557,680	23,456,213	24,714,264
Fire	13,918,734	14,369,963	14,374,516	15,402,621	14,515,947	15,195,074
Public Services	7,424,745	8,448,030	8,510,725	7,916,868	6,293,095	6,590,849
TOTAL DEPARTMENTS	62,505,801	66,887,786	67,352,460	67,102,933	63,581,930	67,107,536
Nondepartmental	6,069,884	4,684,416	4,858,409	4,837,253	4,683,810	5,622,607
Outside Agencies	1,021,491	1,044,962	1,099,713	1,060,214	980,937	978,258
Economic Incentives	266,667	342,000	242,000	242,000	175,000	300,000
Inventory Changes	-	-	-	-	-	-
Contingency	-	143,935	53,935	-	132,550	132,550
Transfers to Other Funds	2,249,945	987,814	1,196,875	1,037,814	406,405	-
Transfer to Capital Project Funds	3,428,330	3,650,000	2,828,000	2,828,000	1,685,000	3,937,500
Transfer to Parking Fund	200,000	75,000	75,000	75,000	-	-
Transfer to Debt Reserve Fund	8,055,000	8,686,875	8,686,875	8,686,875	7,883,606	6,246,638
Transfer to Debt Reserve Fund - Debt to be Issued	-	-	-	-	1,194,178	3,403,047
TOTAL NONDEPARTMENTAL	21,291,317	19,615,002	19,040,807	18,767,156	17,141,486	20,620,601
TOTAL EXPENDITURES	83,797,118	86,502,788	86,393,267	85,870,089	80,723,416	87,728,137
SURPLUS / (SHORTFALL)	-	-	-	-	-	(7,045,523)

Estimated FY 2011-12	Estimated FY 2012-13	Estimated FY 2013-14	Estimated FY 2014-15
48,888,672	49,858,546	50,847,817	52,109,137
14,311,036	14,597,256	14,889,201	15,261,431
2,588,957	2,640,737	2,706,755	2,774,424
12,677,804	12,751,170	12,826,003	12,906,606
2,152,646	2,187,654	2,223,537	2,260,317
126,200	126,200	126,200	126,200
510,050	515,151	525,454	538,590
540,000	540,000	540,000	540,000
-	-	-	-
-	-	-	-
81,795,365	83,216,713	84,684,967	86,516,705
205,153	214,551	224,394	234,702
166,264	173,885	181,867	190,226
1,315,680	1,381,008	1,449,591	1,521,591
959,762	1,006,695	1,055,942	1,107,619
751,221	787,121	824,766	864,242
2,218,901	2,328,964	2,444,504	2,565,794
2,277,966	2,375,319	2,477,075	2,583,438
6,124,716	6,378,100	6,642,568	6,918,626
7,513,246	7,856,403	8,184,789	8,521,621
25,766,374	26,867,262	28,019,269	29,224,979
15,914,318	16,668,427	17,459,111	18,288,168
6,883,761	7,189,728	7,484,519	7,829,927
70,097,363	73,227,463	76,448,394	79,725,932
5,828,647	5,829,629	6,053,587	6,284,910
890,949	904,021	917,485	931,353
125,000	125,000	125,000	125,000
-	-	-	-
132,550	132,550	132,550	132,550
-	-	-	-
4,035,938	4,136,836	4,240,257	4,346,263
-	-	-	-
6,879,318	6,039,287	5,512,042	5,668,868
3,378,297	4,864,558	6,078,745	6,652,138
21,270,698	22,031,881	23,059,666	23,921,082
91,368,061	95,259,345	99,508,060	98,179,014
(9,572,696)	(12,042,632)	(14,823,094)	(11,662,309)

General Fund Forecast Assumptions & Provisions

- Property taxes are estimated at a zero percent growth in FY 09-10 until FY 2012 at which time it assumes a 2% increase.

- Sales Tax is projected with a 5% reduction in both 2010 and 2011 and remaining flat until 2013 at which time a 2% increase is forecast.

- Includes estimated revenues and expenditures associated with the Monkey Junction annexation area beginning in FY 2011.

- Powell Bill revenue is forecast to show a 3% decrease in both 2010 and 2011 in keeping with the current year trend.

- No merit or other employee pay adjustments are included in FY 2010 however; the resumption of the employee merit program is included in FY 2011 and all future years.

- Assumes the reinstatement of full contribution to employee deferred compensation in FY 2011.

- Provides for the resumption of the approximate 4% of the General Fund as a transfer for pay-go capital projects and capital reserves beginning in FY 2011.

- Assumes no significant changes in fees.

- The operating budgets for all departments assume a 3% growth beginning in FY 2011 and all estimated future years.

- Undesignated Fund Balance as of June 30, 2009 is \$10.6 million representing 12.4% of adopted FY 08-09 operating expenditures.

- Assumes the continuation of approximately 11% value of the General Fund as a transfer for debt service funding in FY 2009-10 and future years.

- Assumes no negative revenue impact as a result of State budget pressures and no unfunded mandates.

- Forecast years do not include the value of any voluntary annexations.

STORM WATER MANAGEMENT FUND FINANCIAL FORECAST

	Actual FY 2006-07	Adopted FY 2007-08	Adjusted FY 2007-08	Estimated Actual FY 2007-08	Adopted FY 2009-10	Estimated FY 2010-11
REVENUES						
Storm Water Utility Fees	4,823,347	4,954,389	4,954,389	4,954,389	5,104,012	5,502,373
City Streets SW Utility Fees	1,285,156	1,317,285	1,317,285	1,317,285	1,377,221	1,466,740
Special Revenue Fund	-	-	-	-	-	-
Storm Water Discharge Permits	13,994	12,000	12,000	10,000	10,000	10,500
NCDOT Drainage Maintenance	37,500	30,000	30,000	30,000	30,000	30,000
Transfer from Payment in Lieu	462,638	30,000	30,000	80,000	30,000	30,000
Interest Earnings	284,177	114,000	114,000	100,000	63,460	138,034
Transfer from General Fund	25,000	-	-	-	-	-
Proceeds Refunding Bonds	3,150,000					
Issuance Premium Refunding	82,447					
Miscellaneous	16,455	7,000	7,000	7,000	7,000	7,000
Appropriated Fund Balance	-	14,966	163,454	163,454	(127,083)	1,080,059
TOTAL REVENUES	10,180,714	6,479,640	6,628,128	6,662,128	6,494,610	8,264,706
EXPENDITURES						
Public Services	3,654,837	4,287,367	4,435,855	4,334,990	4,258,249	4,891,685
Nondepartmental	782,225	788,263	788,113	788,113	628,325	646,005
Debt Service/ Debt Reserve	3,961,099	1,184,010	1,184,160	1,184,160	1,347,036	2,409,394
Contingency	-	20,000	20,000	-	61,000	20,000
Transfer to Cap Projects Fund	678,400	200,000	200,000	200,000	200,000	200,000
TOTAL EXPENDITURES	9,076,561	6,479,640	6,628,128	6,507,263	6,494,610	8,167,084
SURPLUS / (SHORTFALL)	1,104,153	-	-	154,865	-	97,622

Estimated FY 2011-12	Estimated FY 2012-13	Estimated FY 2013-14	Estimated FY 2014-15
6,031,659	6,357,688	6,694,459	7,846,128
1,591,413	1,663,027	1,737,863	2,041,989
-	-	-	-
11,235	11,572	11,919	13,707
30,000	30,000	30,000	30,000
30,000	30,000	30,000	30,000
160,239	160,239	160,239	160,239
-	-	-	-
7,000	7,000	7,000	7,000
1,110,982	1,115,263	1,096,567	1,079,643
8,972,528	9,374,789	9,768,047	11,208,706
5,327,160	5,661,693	6,135,885	6,627,609
664,215	682,971	702,290	722,189
2,631,569	2,600,956	2,574,796	3,137,296
20,000	20,000	20,000	20,000
200,000	200,000	200,000	200,000
8,842,944	9,165,620	9,632,971	10,707,094
129,584	209,169	135,076	501,612

Storm Water Forecast Assumptions & Provisions

- Storm Water Fee revenues are projected with a 1% growth in all estimated years.
- Includes estimated revenues and expenditures associated with the Monkey Junction annexation area beginning FY 2011.
- Assumes a 2% change in the rate structure or user fees for FY 09-10 and a 4% and 6% change in FY 2011 and FY 2012 respectively.
- A 3% increase in operating for all future years is forecast as well as the reinstatement of the City's merit plan beginning in FY 2011.
- Assumes the reinstatement of full contribution to employee deferred compensation in FY 2011.
- Indirect costs paid to the General Fund have been reduced to reflect the transfer of the City's billing and collections to the CFPUA.
- Undesignated Fund Balance as of June 30, 2009 is anticipated to be \$6.3 million representing approximately 97% of FY 08-09 operating expenditures.
- The transfer for capital project funding for FY 09-10 and beyond reflects a \$200,000 level contribution.
- This forecast makes no assumption regarding any new debt associated with new capital improvement projects.

SOLID WASTE FUND FINANCIAL FORECAST

	Actual FY 2007-08	Adopted 2008-09	Adjusted 2008-09	Estimated Actual FY 2008-09	Adopted FY 2009-10	Estimated FY 2010-11
REVENUES						
Refuse Fees	7,345,818	7,844,000	7,844,000	7,844,000	8,001,665	8,187,473
Intergovernmental Revenue	-	-	-	-	57,332	57,905
Recycling Sales	15,743	10,000	10,000	10,000	10,000	10,000
Interest Earnings	106,132	45,000	45,000	40,000	24,150	24,150
Bag Sales Revenue	75,454	60,000	60,000	60,000	60,000	60,000
Transfer from General Fund	672,824	687,814	687,814	687,814	-	-
Appropriated Fund Balance	-	-	11,751	11,751	6,521	-
TOTAL REVENUES	8,215,971	8,646,814	8,658,565	8,659,369	8,159,668	8,339,528
EXPENDITURES						
Administration	319,881	385,077	385,597	374,347	322,661	339,842
Customer Refuse	3,387,883	3,715,104	3,716,335	3,639,310	3,660,565	4,013,684
Recycling	755,677	907,992	915,492	930,692	822,667	863,399
Yard Waste	1,570,276	1,877,137	1,877,137	1,809,955	1,825,819	1,923,562
Special Services	267,974	687,814	563,121	432,251	527,330	556,196
Downtown Collection	438,067	149,628	274,321	357,746	295,654	308,702
Sundry	615,555	662,055	664,555	639,555	471,258	482,884
Debt Service	233,714	262,007	262,007	233,715	233,714	-
TOTAL EXPENDITURES	7,589,027	8,646,814	8,658,565	8,417,571	8,159,668	8,488,267
SURPLUS / (SHORTFALL)	626,944	-	-	241,798	-	(148,739)

Estimated FY 2011-12	Estimated FY 2012-13	Estimated FY 2013-14	Estimated FY 2014-15
8,269,347	8,352,041	8,435,561	8,519,917
58,484	59,069	59,660	60,257
10,000	10,000	10,000	10,000
24,150	24,150	24,150	24,150
60,000	60,000	60,000	60,000
-	-	-	-
-	-	-	-
8,421,982	8,505,260	8,589,371	8,674,323
355,849	372,627	390,213	408,647
4,165,982	4,324,444	4,489,333	4,660,928
899,252	936,678	975,750	1,016,542
2,007,768	2,095,826	2,187,916	2,284,231
580,854	606,651	633,640	661,878
320,633	333,057	345,993	359,464
494,859	507,193	519,897	532,982
-	-	-	-
8,825,197	9,176,475	9,542,742	9,924,671
(403,215)	(671,214)	(953,371)	(1,250,348)

Solid Waste Forecast Assumptions & Provisions

- Provides for a 1% rate increase in FY 2009-10 to cover the increase in the New Hanover County tipping fee.
- Refuse collection fees assume a 1% customer growth rate.
- Includes the estimated revenue and expenditures associated with the Monkey Junction Annexation beginning FY 2011.
- The operating budget, including salary and benefits, represents a 4% reduction over FY 08-09 adopted levels for FY 09-10. A 3% growth for all future years for operating costs as well as the reinstatement of the City's merit plan is reflected in salary and benefits.
- Assumes the reinstatement of full contribution to employee deferred compensation in FY 2011.
- Reflects the elimination of the General Fund subsidy for Special Services.
- Indirect Costs paid to the General Fund have been reduced to reflect the transfer of the City's billing and collections to the CFPUA.
- Undesignated Fund Balance as of June 30, 2009 is anticipated to be \$2.3 million representing approximately 26.7% of the FY 08-09 budgeted operating expenditures.

GOLF COURSE FUND FINANCIAL FORECAST

	Actual FY 2007-08	Adopted FY 2008-09	Adjusted FY 2008-09	Estimated Actual FY 2008-09	Adopted FY 2009-10	Estimated FY 2010-11
REVENUES						
Daily Green Fees	536,919	500,000	500,000	500,000	500,000	500,000
Discount Card Fees	166,727	180,000	180,000	160,000	160,000	160,000
Tournament Fees	7,989	10,000	10,000	7,065	7,000	7,000
Cart Rental	322,929	275,000	275,000	305,000	275,000	275,000
Locker Fees	440	500	500	520	100	100
Concessions	152,006	135,500	135,500	149,000	150,000	150,000
Interest Earnings	50,150	20,000	20,000	20,000	11,950	11,950
Other Revenue	922	-	-	200	-	-
Appropriated Fund Balance	-	100,000	103,071	103,071	-	-
TOTAL REVENUES	1,238,082	1,221,000	1,224,071	1,244,856	1,104,050	1,104,050
EXPENDITURES						
Personnel	352,323	418,577	418,577	415,577	415,651	436,434
Benefits	101,360	111,943	111,943	123,793	112,997	124,862
Operating	390,734	396,695	399,766	394,586	412,419	424,792
Capital	31,192	109,300	109,300	109,300	36,000	50,000
Contingency	-	2,210	2,210	-	-	-
Debt Reserve	-	-	-	-	-	-
Nondepartmental	102,275	102,275	102,275	102,275	126,983	130,792
Transfers	79,357	80,000	80,000	80,000	-	-
Debt Service	-	-	-	-	-	-
TOTAL EXPENDITURES	1,057,241	1,221,000	1,224,071	1,225,531	1,104,050	1,166,879
SURPLUS / (SHORTFALL)	180,841	-	-	19,325	-	(62,829)

Estimated FY 2011-12	Estimated FY 2012-13	Estimated FY 2013-14	Estimated FY 2014-15
500,000	500,000	500,000	500,000
160,000	160,000	160,000	160,000
7,000	7,000	7,000	7,000
275,000	275,000	275,000	275,000
100	100	100	100
150,000	150,000	150,000	150,000
11,950	11,950	11,950	11,950
-	-	-	-
-	-	-	-
1,104,050	1,104,050	1,104,050	1,104,050
458,255	481,168	505,226	530,488
131,105	137,660	144,543	151,770
437,535	450,661	464,181	478,107
50,500	100,000	50,000	50,000
-	-	-	-
134,716	138,758	142,920	147,208
-	-	-	-
-	-	-	-
1,212,112	1,308,247	1,306,871	1,357,573
(108,062)	(204,197)	(202,821)	(253,523)

Golf Course Forecast Assumptions & Provisions

- Assumes no increase in fees in this forecast.
- Green Fees have remained consistent over the last two years and therefore forecast years reflect a continued conservative estimate.
- FY 2009-10 revenue projections for concessions reflect an increase over FY 08-09 adopted levels based on fiscal year-to-date actuals and projected year-end estimates. All future years are forecast with zero growth.
- Discount card revenues are projected downward based on current year trends.
- Lease payments for golf carts are included in the operating expenditures in all estimated years.
- Undesignated Fund Balance as of June 30, 2009 is anticipated to be \$1.0 million or 83% of FY 08-09 budgeted expenditures.
- Beginning FY 10-11 the City's merit plan is anticipated to be reinstated and operating is reflected at a growth percentage of 3%.
- Assumes the reinstatement of full contribution to employee deferred compensation in FY 2011.

PARKING FUND FINANCIAL FORECAST

	Actual FY 2007-08	Adopted FY 2008-09	Adjusted FY 2008-09	Estimated Actual FY 2008-09	Adopted FY 2009-10	Estimated FY 2010-11
REVENUES						
Parking Meters	770,218	753,900	753,900	728,900	756,600	764,166
Parking Fines	731,029	600,000	600,000	700,000	740,000	747,400
Parking Facility Charges	907,241	930,175	930,175	832,630	1,027,410	1,036,410
Interest Earnings	142,569	55,000	55,000	55,000	32,500	32,500
Transfers from Other Funds	200,000	75,000	75,000	75,000	-	-
Appropriated Fund Balance	-	123,881	210,304	210,304	-	-
Miscellaneous/Operating Subsidy	-	-	-	-	-	-
TOTAL REVENUES	2,751,057	2,537,956	2,624,379	2,601,834	2,556,510	2,580,476
EXPENDITURES						
Personnel	61,199	81,036	81,036	83,251	84,984	89,233
Benefits	15,085	24,490	24,490	28,490	26,610	29,543
Operating	1,230,597	1,414,844	1,501,267	1,478,867	1,430,093	1,486,758
Outlay	565	-	-	-	151,800	153,318
Nondepartmental	139,892	6,175	6,175	6,175	6,175	6,230
Debt Service	975,482	966,411	966,411	966,411	811,848	737,716
Contingency	-	45,000	45,000	-	45,000	45,000
TOTAL EXPENDITURES	2,422,820	2,537,956	2,624,379	2,563,194	2,556,510	2,547,798
SURPLUS / (SHORTFALL)	328,237	-	-	38,640	-	32,678

Estimated FY 2011-12	Estimated FY 2012-13	Estimated FY 2013-14	Estimated FY 2014-15
778,912	793,953	809,295	824,943
762,348	777,595	793,147	809,010
1,054,590	1,073,134	1,092,048	1,111,341
32,500	32,500	32,500	32,500
-	-	-	-
-	-	-	-
-	-	-	-
2,628,350	2,677,181	2,726,990	2,777,794
93,695	98,380	103,299	108,464
31,020	32,571	34,199	35,909
1,530,611	1,575,780	1,622,303	1,670,222
154,851	156,400	157,964	159,543
6,230	6,230	6,230	6,230
716,516	705,516	685,266	665,016
45,000	45,000	45,000	45,000
2,577,923	2,619,875	2,654,260	2,690,384
50,427	57,306	72,729	87,410

Parking Facility Fund Forecast Assumptions & Provisions

- Parking meter revenues are calculated at a 1% growth.
- Beginning in FY 10-11 salary and benefits are reflected to reinstate the City's merit plan and operating reflects a 3% growth in keeping with inflation.
- Assumes the reinstatement of full contribution to employee deferred compensation in FY 2011.
- Undesignated Fund Balance as of June 30, 2009 is anticipated to be \$1.7 million or 68% of the FY 08-09 budgeted expenditures.
- Assumes approximately \$22,000 in lease revenue for retail space.
- No rate increases are assumed in the forecast.
- This forecast makes no assumption regarding any new debt associated with the potential acquisition of any new parking facilities.

AUTHORIZED POSITION LISTING

The authorized position listing summarizes the net changes in positions for the fiscal years 2007-08 through the FY 2009-10 adopted budget.

	2007-08 Actual	2008-09 Adopted	2008-09 Adjusted	2009-10 Adopted
City Clerk	2	2	2	2
City Manager	15.5	16	16	13
City Attorney	8	8	8	8
Human Resources	8	8	8	8
Finance	40	28	28	29
Information Technology	16	16	16	16
Community Services	60	61	61	88
Development Services	82	81	81	48
Police	320	320	320	312
Fire	224	224	224	221
Public Services	94	94	94	67
GENERAL FUND	870	858	858	812
CDBG/HOME GRANT AND LOAN FUND	-	-	-	12
PUBLIC UTILITIES FUND	183.5	-	-	-
GROUNDWATER UTILITY FUND	7	-	-	-
FLEET FUND	15	15	15	14
PARKING FUND	1	2	2	2
SOLID WASTE MANAGEMENT FUND	93	93	93	92
GOLF ENTERPRISE FUND	9	9	9	9
STORM WATER MANAGEMENT FUND	59	59	59	59
ALL FUNDS	1,237	1,036	1,036	1,000

FY 09-10 FULL-TIME POSITION DELETIONS

Total Beginning Number of Positions	1,036
City Manager	
Economic Development Liaison (vacant)	-1
Budget Analyst (vacant)	-1
Community Services	
Recreation Manager (vacant)	-1
Recreation Coordinator (vacant)	-1
Housing Development Coordinator (vacant)	-1
Code Enforcement Officer (vacant)	-1
Housing Rehabilitation Technician (vacant)	-1
Development Services	
Staff Engineer (vacant)	-2
Electronic & Instrumentation Tech (vacant)	-1
Planner (vacant)	-1
Administrative Support Technician (vacant)	-1
Project Engineer (vacant)	-1
Police Department	
Police Officer *	-11
Fire Department	
Fire Captain (vacant)	-1
Firefighter (vacant)	-2
Public Services	
Construction Worker (vacant)	-5
Facilities Project Coordinator (vacant)	-1
Grounds Technician (vacant)	-1
TOTAL GENERAL FUND POSITION REDUCTIONS	-34
Fleet Management	
Auto Mechanic Light (vacant)	-1
Solid Waste Management Fund	
Solid Waste Worker (vacant)	-1
TOTAL POSITION REDUCTIONS	-36
TOTAL AUTHORIZED POSITIONS	1,000

* Police Officer positions are currently filled. This reduces overall authorized strength (position counts) within the department. All employees will continue in place and will be absorbed through attrition.



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